



# The Takeaway

Policy Briefs from the Mosbacher Institute for Trade, Economics, and Public Policy

## BORDERS & MIGRATION LAB

MOSBACHER INSTITUTE ★ TEXAS A&M UNIVERSITY



## Achieving the DREAM

### The Effect of IRCA on Immigrant Youth Post-Secondary Educational Access

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*Dr. Kalena Cortes' research on the relationship between the Immigration Reform and Control Act (IRCA) and subsequent enrollment of immigrant youth provides insight into potential effects and intergenerational benefits of effective immigration policy. Reducing barriers to higher education for undocumented immigrant youth can significantly improve higher educational attainment for these populations, leading to more prosperous communities. Evidence suggests a significant increase in post-secondary enrollment among immigrant youth to whom amnesty was granted between 1975-1981.<sup>1</sup>*

#### CONTEXT

Various legislative attempts to offer opportunities for minor undocumented immigrants living in the United States to achieve legal status and educational attainment have been debated for decades with very limited success.

#### WHAT'S THE TAKEAWAY?

Legal and financial barriers inhibit many undocumented immigrant youth from attaining post-secondary education.

Undocumented immigrants granted amnesty by the IRCA in 1986 were found to be 13.9% more likely to enroll in post-secondary education.

If implemented today, similar legislation could lead to improvements in educational attainment for up to 1.8 million undocumented immigrants.

Education policy toward immigrant children began changing in 1982, with the US Supreme Court landmark ruling in *Plyler v. Doe*, which granted undocumented immigrant children access to free public schooling. Justice Lewis Powell, concurring with the ruling, asserted that, “A legislative classification that threatens the creation of an underclass of future citizens and residents cannot be reconciled with one of the fundamental purposes of the Fourteenth Amendment.”<sup>2</sup> The ruling, however, did not address postsecondary educational needs. Financial and legal barriers to pursuing higher education have been left largely in place.

*The potential cascade effect of educating immigrant populations can hardly be overstated.*

Though never passed, The DREAM Act (Development, Relief, and Education for Alien Minors) sought to lift some barriers, providing permanent residency to undocumented minors who lived in the United States before the age of 15, had been present for 5 years prior to the bill, obtained a high school diploma or GED, and were under 35 years old. The DREAM Act morphed over time into DACA (Deferred Action for Childhood Arrivals), a policy directive with similar scope and aims. Other policy initiatives, like the IRCA, granted amnesty to roughly 2.8 million undocumented immigrants who had arrived before January 1, 1982.

Comparing postsecondary enrollments before and after the IRCA passed in 1986 gave Cortes the opportunity to research the impact of legal status on educational attainment for immigrant youth.

### RESEARCH STRATEGY

Cortes uses a difference-in-difference approach to estimate the effect of IRCA. She isolates the effect of this policy by comparing the educational outcomes of two immigrant youth groups: a control group who always had permanent legal status (refugees) and the treatment group with undocumented status (economic migrants) who arrived before and after IRCA.

In this setup, the first difference compares changes in college enrollment rates before and after the enactment of IRCA. The second difference compares the enrollment rates between economic migrants (with undocumented status) and refugees (who have always had legal status and did not experience any policy chance). There are no other exogenous factors, other than the IRCA enactment, that could explain the differences in the treatment group observed during this time frame.

- 1975-81: Economic migrants who arrived in the US prior to 1982 and were granted amnesty under IRCA.
- 1982-86: Economic migrants who arrived after 1981 and missed the cutoff year for amnesty eligibility under IRCA.

To perform the analysis, Cortes uses a sample of 33,866 foreign-born immigrant youths who were not older than 18 years of age upon arrival in the United States and who im-

migrated to the United States between 1975 and 1986. She examines seven cohorts who arrived between 1975 and 1981 (where the economic youth were eligible for IRCA, so both groups had legal status), and five cohorts between 1982 and 1986 (where the economic youth had arrived after the IRCA cut-off year, so only the refugee youth had legal status).

In sum, Cortes finds that undocumented youth who were granted amnesty during 1975-81 by the IRCA were 13.9% more likely than their counterparts during 1982-86 to enroll in college. Figure 1 illustrates how the enrollment rates for economic and refugee immigrant youth diverge only after 1981, showing that youths from the economic migrant group who missed the amnesty period were less likely to enroll in college.

## POLICY LESSONS

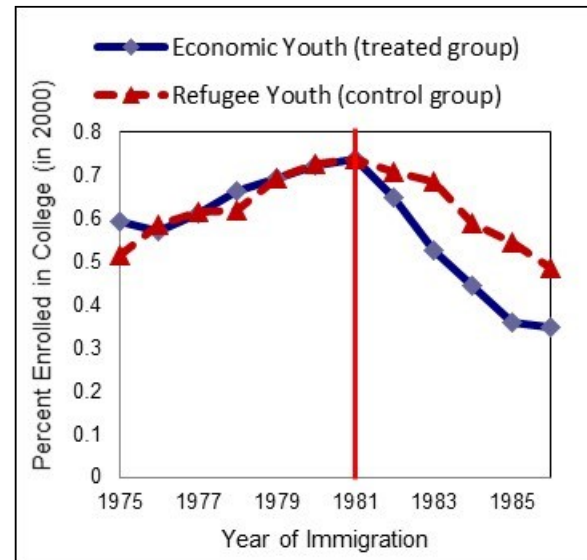
This evidence for the repercussions of immigration policy suggests that:

### 1) Lowering legal and financial barriers translates to better education among undocumented immigrant youth.

The effects of policies like granting amnesty can have a profound effect on the ability of individuals to pursue post-secondary education and better their own lives and ultimately those of their community. The rate of enrollment decreases upon reinstating such legal barriers. In effect, lowering such barriers can lead to more contributing members and a more prosperous society and community among undocumented immigrant youth.

### 2) The positive effects of such policies remain constant cross-culturally.

**Figure 1: Percent Enrolled in College in 2000 by Immigrant Group and Year of Immigration**



Source: 2000 Census Public Use Micro Sample (PUMS) and Cortes's calculations

Improvements in enrollment were seen among immigrant populations from Southeast Asia, Latin America, and elsewhere.<sup>3</sup> In simply providing legal status, thus extending time horizons, each population capitalized on the passive incentive to better their situation.

### 3) Small improvements in rates of post-secondary education can go a long way in improving the status and potential outcomes for undocumented immigrant populations.

There are currently over 1 million undocumented children residing in the country who were either brought by their guardians or arrived under truly dire circumstances. Higher education is correlated with lower crime rates, higher salaries and employment rates, and improved quality of life.<sup>4,5</sup> This translates to a safer, more productive, and happier America. The potential cascade ef-

fect of educating immigrant populations can hardly be overstated.

### TODAY'S CHALLENGE

Although eighteen states today have passed laws offering in-state tuition to undocumented youth, their legal status still represents a hindrance to pursuing further education. There are an estimated 2.5 million undocumented immigrants who are 24 or under.<sup>6</sup> Unlike the DREAM Act which preceded it, DACA does not provide a path to citizenship; it provides renewable protection from deportation for applicants who meet the criteria. The Supreme Court is expected to rule on DACA no later than June of 2020, putting current recipients at risk of deportation. Analysis of the IRCA shows positive effects of granting amnesty to undocumented immigrant youth on educational attainment. This suggests that a similar, contemporary policy could lead to significantly higher rates of educational attainment within these communities.

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#### Notes:

<sup>1</sup> Cortes, K.E. (2013). Achieving the DREAM: The effect of IRCA on immigrant youth postsecondary educational access. *American Economic Review*, 103(3), 428-32. DOI: 10.1257/aer.103.3.428.

<sup>2</sup> Access to Education -Rule of Law. United States Courts. <https://www.uscourts.gov/educational-resources/educational-activities/access-education-rule-law>.

<sup>3</sup> To account for the concern that the 1975-81 group was an altogether different group of immigrants than the 1982-86 group, Cortes (2013) performed additional analysis adding one, two, and three years on either side and found comparable increased enrollment rates.

Cortes also finds that among youth granted amnesty by IRCA, those from Latin America are 10.4 percentage points more likely to enroll in post-secondary education, compared to 9.1 percentage points among Southeast Asian youth.

<sup>4</sup> Lochner, L. & Moretti, E. (2004). The effect of education on crime: Evidence from prison inmates, arrests, and self-reports. *American Economic Review*, 94(1), 155-89.

<sup>5</sup> Card, D. (1999). The causal effect of education on earnings. *Handbook of Labor Economics*, 3(A), 1801-63.

<sup>6</sup> Migration Policy Institute (November 1, 2018). Profile of the unauthorized population: United States. Estimates there are 803,000 youth under 16, and 1.65 million between 16 and 24.

## ABOUT THE MOSBACHER INSTITUTE

The Mosbacher Institute was founded in 2009 to honor Robert A. Mosbacher, Secretary of Commerce from 1989-1992 and key architect of the North American Free Trade Agreement. Through our three core programs—Global Markets and Trade, Energy, and Governance and Public Services—our objective is to advance the design of policies for tomorrow's challenges.

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